

**UNITED STATES DEPARTMENT OF COMMERCE****United States Patent and Trademark Office**Address: COMMISSIONER OF PATENTS AND TRADEMARKS  
Washington, D.C. 20231

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
-----------------	-------------	----------------------	---------------------

09/488, 107 01/20/00 FRISS

W 23616.01

TM02/1019

R Lewis Gable  
Cowan Liebowitz & Latman PC  
1133 Avenue of the Americas  
New York NY 10036-6799

EXAMINER

PATEL, J

ART UNIT	PAPER NUMBER
----------	--------------

2164

DATE MAILED:

10/19/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

<b>Office Action Summary</b>	Application No. <b>09/488,107</b>	Applicant(s) <b>Friss et al</b>
	Examiner <b>Jagdish Patel</b>	Art Unit <b>2164</b>

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1)  Responsive to communication(s) filed on Jul 23, 2001.
- 2a)  This action is FINAL.      2b)  This action is non-final.
- 3)  Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

#### Disposition of Claims

- 4)  Claim(s) 33-69 is/are pending in the application.
- 4a) Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5)  Claim(s) \_\_\_\_\_ is/are allowed.
- 6)  Claim(s) 33-41 and 43-69 is/are rejected.
- 7)  Claim(s) 42 is/are objected to.
- 8)  Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9)  The specification is objected to by the Examiner.
- 10)  The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.
- 11)  The proposed drawing correction filed on \_\_\_\_\_ is: a)  approved b)  disapproved.
- 12)  The oath or declaration is objected to by the Examiner.

#### Priority under 35 U.S.C. § 119

- 13)  Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

a)  All b)  Some\* c)  None of:

1.  Certified copies of the priority documents have been received.
2.  Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3.  Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\*See the attached detailed Office action for a list of the certified copies not received.

- 14)  Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

#### Attachment(s)

- 15)  Notice of References Cited (PTO-892)      18)  Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 16)  Notice of Draftsperson's Patent Drawing Review (PTO-948)      19)  Notice of Informal Patent Application (PTO-152)
- 17)  Information Disclosure Statement(s) (PTO-1449) Paper No(s). \_\_\_\_\_      20)  Other: \_\_\_\_\_

Art Unit: 2164

### **DETAILED ACTION**

1. This communication is in response to amendment filed July 23, 2001.

#### ***Response to Amendment***

2. Claims 1-32 have been deleted and new claims 33-69 have been added.

#### ***Response to Arguments***

3. Applicant's arguments with respect to claims 1-32 have been considered but are moot in view of the new ground(s) of rejection of new claims 33-69.

#### ***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 37 and 38 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 37 recites the limitation "offering for sale on said secondary market" in line 2 .

There is insufficient antecedent basis for this limitation in the claims 33 or 36. Claim 38, being dependent on claim 37, also inherits this deficiency.

Art Unit: 2164

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 33-41 and 43-61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Woolston (US Pat. 5,845,265) and further in view of article "The Railroad Telegraph" (hereafter the "telegraph" article).

Claim 33: Woolston teaches a method of managing an initial offering of collectibles for sale ("computerized market", abstract), said method carried out on a programmed computer to effect the following steps:

- a) communicating an initial offering for sale to purchasers (of a predetermined number) of collectibles (per Woolston, initial offering of collectibles is communicated by a consignment node to participant(s), col. 3 L 25-30);
- b) receiving orders from the ordering purchasers (..allow participant to electronically purchase goods from a consignment node..col. 3 L 25-30).

Whereas Woolston teaches communicating an initial offering of a predetermined number of collectibles (as inherently disclosed since goods offered by the consignment node are collectible goods available in limited quantity) and receiving orders from the ordering purchasers (as inherent in "participant to electronically purchasing goods"), it fails to teach step c) of determining

Art Unit: 2164

whether the number of ordered collectibles exceeds the predetermined number of offered collectibles as recited.

This missing feature in Woolston reference is well known practice in commerce, in that in merchandising between a dealer who sells a collectibles or goods produced and/or available in limited supply, the dealer or merchant having a limited supply of a product takes order from prospective purchasers not knowing the quantity of product ordered from the purchasers (example, a new model of automobile, toys or electronic game machine etc.). It is well known practice to allocate the limited available quantity amongst the purchasers who submitted orders in accordance with a suitable criteria deemed appropriate by the dealer. An exemplary reference, showing the missing feature is recited by the Telegraph article on p.3 "Quantities are VERY limited and subject to further allocation."

It would have been obvious to one of ordinary skill in the art at the time of the invention to implement the step of determining whether the number of collectibles exceeds the predetermined number of offered collectibles and if so, allocating the predetermined number of offered collectibles among the ordering purchasers as claimed because each purchaser would be able to purchase his or her fair share of the desirable items such as collectibles. Allocating the collectibles in this manner would also maintain customer goodwill and reputation of the entity who sells the collectibles.

Claim 34: Offering for sale certain of the allocated collectibles on a secondary market at the direction of the purchasers.. (Woolston, col. 3 L 28-30).

Art Unit: 2164

Claim 35: collectibles comprise trading cards (col. 1 L 16-18).

Claim 36: initial offering is carried out for first selected, predetermined period of time (p.2 “advanced reservations”, ...you must place your order prior to the release of the model..).

Claim 37 and 38: offering for sale on said secondary market is carried out for a second selected period of time (per Woolston, this feature is inherent because the collectible good is offered in a secondary market until the good is sold to a new participant, col. 3 L 25-41, Furthermore, it is obvious that the operator of the consignment node may select appropriate length of time as claimed for the offering of the collectible in the secondary market).

Claims 39-41: said step of allocating counts the number of collectibles for which orders have been placed, step of ..compares said number of counted collectibles with said predetermined number of collectibles and ...said step of allocating reduces the number of collectibles to be allocated to the ordering purchasers in accordance with a predetermined algorithm (inherent in the Telegraph article because it teaches allocation of a collectible based on received orders, naturally allocation requires both available number of collectible and (versus) the demand of the collectibles and some form of procedure or algorithm must be in place to determine which purchaser gets how much quantity of the collectible).

Claim 43: Woolston teaches maintaining a record of the purchasing activity of each purchaser (col. 7 L 1-7). Woolston or the “telegraph” article fail to teach that the number of collectibles are allocated by the algorithm to the purchaser as a direct function of the magnitude of purchaser activity. However, official notice is taken that allocating shares of a stock (collectibles)

Art Unit: 2164

in an initial public offering by a underwriter of the stock in accordance with a customer's account (purchase) activity is old and well known. It would have been obvious to ordinary skill in the art at the time of the invention to incorporate this feature in the Woolston method because it would reward customers having superior purchase record by preferential allocation of collectibles.

Claims 44-45: limitations of claims are inherent in both references because lots of collectibles and collectibles of different kinds and assembling the collectibles into lots...are broadly interpreted as "sell at" quantities and prices as disclosed by Woolston, col. 3 L 41-45, as providing lots of collectibles for sale and providing collectibles of different kinds and assembling the collectibles into lots as per claim 45.

Claim 46: Woolston teaches that a method of offering collectibles for sale wherein the successful purchasers of collectibles on a primary market may use a sale administrator hold their purchased collectibles ("collectible goods") in escrow. ("trusted means" to assure good's bona fide availability and legal title) an offering for sale administrator hold their purchased collectibles in escrow (Woolston, col. 3 L 36-51 and col. 5 L 30-34).

Claim 47 and 48: providing a purchaser history database for keeping a record of each purchaser that has placed an order in course of said initial offering..and updating data indicative of each collectible held in escrow.. and providing a purchaser history database for keeping a record for each purchaser...(Woolston, col. 3 L 36-51 and col. 5 L 30-34 and col. 7 L 36-45).

Art Unit: 2164

Claim 49: Woolston discloses a method of operating a server (consignment node) to support a plurality of purchaser systems (participants) to transmit over a network orders for collectibles to the server, the method comprising:

- a) constructing..a purchaser history database (purchase records, col. 7 L 12-21);
- b) offering for sale initial placement of a predetermined number of collectibles (col. 5 L 30-41, note that each participant may choose to “post a new reserve or offer price for the card and direct the card to remain in the possession of the consignment node user”, thus each participant offers initial placement of the card(s) for sale );
- c) creating at least one account in the purchaser history database for each purchase...each account including a record of the purchasing activity..(col. 3 L 53-57, col. 7 L 1-4 and 30-32 purchase records for a used good..since the purchase records are used by a participant to search for particular collectible (example: a coin));

Whereas Woolston teaches steps a), b) and c), as discussed above, it fails to teach step d) of determining whether the number of ordered collectibles exceeds the predetermined number of offered collectibles as recited and if so allocating the predetermined number of collectibles among the purchasers.

These missing features in Woolston reference are well known practice in commerce, in that in merchandising between a dealer who sells a collectibles or goods produced and/or available in limited supply, the dealer or merchant having a limited supply of a product takes order from prospective purchasers not knowing quantity available would meet the demand from the

Art Unit: 2164

quantity of product ordered from the purchasers (For Example, Orders taken by dealers from prospective customers for a new model of automobile, toys or electronic game machine etc.). It is well known practice to allocate the limited available quantity amongst the purchasers who submitted orders in accordance with a suitable criteria deemed appropriate by the dealer. An exemplary reference, showing the missing feature is recited by the Telegraph article on p.3 “Quantities are VERY limited and subject to further allocation.”

It would have been obvious to one of ordinary skill in the art at the time of the invention to implement the step of determining whether the number of collectibles exceeds the predetermined number of offered collectibles and if so, allocating the predetermined number of offered collectibles among the ordering purchasers as claimed because each purchaser would be able to purchase his or her fair share of the desirable items such as collectibles. Allocating the collectibles in this manner would also maintain customer goodwill and reputation of the entity who sells the collectibles.

Claim 50 is analyzed as in claim 34.

Claim 51 is analyzed as in claim 48.

Claim 52 and 53: both number of received orders and a number (such as number of items of a merchandise) and incrementing number of orders and the number in response to receipt of each order are inherent and necessary steps for maintaining accurate and useful purchase history for each customer.

Claim 54 and 55: is analyzed as in claim 43.

Art Unit: 2164

Claim 56: refer to analysis of claim 48.

Claim 57: receiving bids from purchasers for selected of said collectibles during said offering for sale on said secondary market, determining winning bids on each collectible purchased... updating the records of the purchasers having winning bids with data indicative of said purchased collectibles (Woolston col. 6 L 32-42 and col. 7 L 1-3 and 30-42).

Claim 58: all limitations of claim 58 are analyzed as in claim 49.

Claim 59 and 60:.... update said records of the identified purchaser .(col. 3 L 53-57, col. 7 L 1-4 and 30-32 purchase records for a used good..since the purchase records are used by a participant to search for particular collectible it is anticipated that the records of each purchaser are updated). Updating the records of the purchaser with the data indicative of the collectibles allocated during the initial placement are similarly anticipated as necessary to maintain records of each purchaser in order to improve efficiency and accuracy of the operation (col. 5 L 39-42).

Claim 61: refer to claim 46 and 47 analysis.

8. Claim 62-69 are rejected under 35 U.S.C. 103(a) as being unpatentable over article "The Railroad Telegraph" (hereafter the "telegraph" article") and further in view of Woolston (US Pat. 5,845,265).

Claim 62: The telegraph article teaches a method of managing the sale of uncirculated collectibles on a primary market said method carried out on a programmed computer to effect the following steps:

Art Unit: 2164

a) communicating an initial offering for sale of the uncirculated collectibles to prospective purchasers (this step is accomplished in the telegraph article via “our web site” as discussed on p.1);

b) receiving and accepting a plurality of received orders from ..purchasers whereby...purchase the uncirculated collectibles (refer to p. 2, “ADVANCED RESERVATIONS”, this text teaches receiving and accepting of received orders for the uncirculated collectibles).

Whereas, the telegraph article teaches the generating, transmitting, receiving and accepting steps as recited in claim 69 a) and b) respectively, it fails to teach step c) of generating and transmitting messages prompting the purchasers to either 1) store their uncirculated collectibles..or 2) offer for sale on a secondary market to prospective purchasers.. as recited in the claim. However, Woolston in the same field of endeavor, teaches a method of operating server to support a plurality of prospective purchasers to transmit from corresponding remote stations over a network to the server orders for uncirculated collectibles wherein the programmed server effects the aforementioned steps as follows:

- 1) store their uncirculated collectibles..(col. 3 L 25-41, ..allow a participant to electronically purchase goods from a consignment node and to select whether the goods should be shipped to a ..designated location or..)
- 2) offer for sale on a secondary market to prospective purchasers.. (col. 3 L 25-41, ..take legal ownership of a good and post a new participant defined offer..).

Art Unit: 2164

It would have been obvious to one of ordinary skill in the art at the time of the invention to implement to the messages as recited above to allow the purchaser to speculate with the collectibles on the secondary market or keep for safe storage as a personal collection.

Claims 63-66:...data reflective of an order from the accepted order is stored in a memory and plurality of storage locations..upon acceptance of an order from a particular purchaser a corresponding one of the storage location is dedicated ... (Woolston col. 3 L 53-57, col. 7 L 1-4 and 30-32 purchase records for a used good..since the purchase records are used by a participant to search for particular collectible).

Claim 67-68: refer to claim 69 c) analysis below.

Claim 69: The telegraph article teaches a method of operating a server to support a plurality of prospective purchasers, said method carried out on a programmed server to effect the following steps:

- a) generating and transmitting from the server an initial offering for sale of the uncirculated collectibles to prospective purchasers (this step is accomplished in the telegraph article via “our web site” as discussed on p.1);
- b) receiving and accepting a plurality of received orders from ..purchasers whereby...purchase the uncirculated collectibles (refer to p. 2, “ADVANCED RESERVATIONS”, this text teaches receiving and accepting of received orders for the uncirculated collectibles).

Art Unit: 2164

Whereas, the telegraph article teaches the generating, transmitting, receiving and accepting steps as recited in claim 69 a) and b) respectively, it fails to teach step c) of generating and transmitting messages prompting the purchasers to either 1) store their uncirculated collectibles..or 2) offer for sale on a secondary market to prospective purchasers.. as recited in the claim. However, Woolston in the same field of endeavor teaches a method of operating server to support a plurality of prospective purchasers to transmit from corresponding remote stations over a network to the server orders for uncirculated collectibles wherein the programmed server effects the aforementioned steps as follows:

- 1) store their uncirculated collectibles..(col. 3 L 25-41, ..allow a participant to electronically purchase goods from a consignment node and to select whether the goods should be shipped to a ..designated location or..)
- 2) offer for sale on a secondary market to prospective purchasers.. (col. 3 L 25-41, ..take legal ownership of a good and post a new participant defined offer..).

It would have been obvious to one of ordinary skill in the art at the time of the invention to implement to the messages as recited above to allow the purchaser to speculate with the collectibles on the secondary market or keep for safe storage as a personal collection.

Art Unit: 2164

*Allowable Subject Matter*

9. Claim 42 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

*Conclusion*

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Art Unit: 2164

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jagdish Patel whose telephone number is (703) 308-7837. The examiner can normally be reached Monday-Thursday from 8:00 AM to 6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1038. The fax number for Formal or Official faxes to Technology Center 2100 is (703) 746-7239 or 7238. Draft or Informal faxes for this Art Unit can be submitted to (703) 746-7240. Draft faxes may also be submitted directly to the examiner at (703) 746-5563.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900.

JNP 10/15/01.



VINCENT MILLIN  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2100